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News Release – Second Quarter Earnings

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**FOR IMMEDIATE RELEASE**  
**Enterprise National Bank N.J.**  
**Enterprise Bank Announces Second Quarter Results**

Kenilworth, New Jersey, July 27, 2009-Enterprise National Bank N.J. (the "Bank") (OTCBB: ENBN) reported a net loss of \$701 thousand, or \$(0.38) per share, for the quarter ended June 30, 2009, compared to the loss of \$204 thousand, or \$(0.11) per share, reported in the first quarter of 2009. For the six months ended June 30, 2009, the Bank incurred a loss of \$905 thousand, or \$(0.49) per share, compared to a loss of \$164 thousand, or \$(0.09) per share for the first six months of 2008.

Donald J. Haake, President and Chief Executive Officer stated that "although the Bank incurred a disappointing net loss for the second quarter, most of that loss is attributable to the charge-off of loans related to one commercial borrower." President Haake also stated that "while we have experienced an increase in loans identified as non-performing, we are confident that most of the loans so categorized will be satisfied with minimal or no loss to the bank. These are difficult times for everyone and our customers are no different, so we recognize that we will continue to experience some issues as a result of the environment in which our customers operate; however, we are committed to work with our customers to manage through these difficult times and remain confident that they will be capable of performing as agreed.

**FINANCIAL CONDITION**

The Bank ended the second quarter with total assets of \$111.1 million as compared to \$97.2 million at December 31, 2008, reflecting growth of 14.3%. During the second quarter of 2009, the Bank experienced net growth in loans of \$3.0 million, an increase in cash and due from banks of \$4.9 million and a decrease in investment securities of \$28 thousand. During the six months ended June 30, 2009, the Bank originated \$7.6 million in loans, primarily commercial real estate and business loans, offset in part by payoffs and repayments totaling \$4.6 million.

Loans, net of allowance for loan losses, totaled \$79.8 million at June 30, 2009, an increase of \$2.9 million, or 3.8%, from \$76.9 million at the end of 2008.

Asset growth over the first six months of 2009 was funded by an increase in deposits of \$14.5 million and a decrease in investment securities of \$842 thousand.

**REVENUES**

Total revenues, defined as net interest income plus non-interest income were unchanged during the second quarter in comparison to the same period a year ago, while non-interest expense increased

\$150 thousand, or 18.68% from the same period in the prior year. For the first six months of 2009, total revenue increased by \$245 thousand, or 15.78%, as compared to the first six months of 2008, while non-interest expense increased \$300 thousand, or 19.12% for the first six months of 2009. The growth in revenues was due to significant growth in the loan portfolio, while maintaining oversight of operating expenses.

### **Net Interest Income**

Net interest income for the second quarter of 2009 was \$856 thousand, as compared to \$848 thousand in the year ago quarter, and \$1.7 million for the first six months of 2009, as compared to \$1.5 million for the first six months of 2008. Net interest margin decreased to 3.62% in the second quarter of 2009, as compared to 3.96% during the same period a year ago. Total interest income increased by \$53 thousand to \$1.49 million in the current quarter compared to the year ago period, while total interest expense increased \$45 thousand to \$632 thousand in the current quarter from \$587 thousand in the prior year quarter. At June 30, 2009, the rate of interest bearing liabilities was 2.45% compared to 3.08% as of June 30, 2008, and the yield on interest earning assets 6.24% compared to 6.67%, respectively.

### **Provision for Loan Losses**

During the second quarter of 2009, the Bank recognized a provision of \$615 thousand compared to \$110 in the same quarter of 2008. For the six months ended June 30, 2009, the Bank recognized provision of \$825 thousand compared to \$145 thousand for the same six months period of the prior year. The increase in the provision is primarily attributed to loans related to one customer.

### **Non-Interest Income**

Non-interest income was \$14 thousand for the second quarter of 2009 as compared to \$22 thousand for the second quarter of 2008 and \$73 thousand for the first six months of 2009 as compared to \$41 thousand for the same period in 2008. Non interest income primarily consists of service fees and charges on deposit accounts.

### **Non-Interest Expense**

Total non-interest expense for the second quarter of 2009 was \$954 thousand, compared to \$803 thousand in the second quarter of 2008, and \$1.9 million for the first six months of 2009, as compared to \$1.6 million for the same period in 2008. Total non-interest expense increased \$300 thousand, or 18.75%, for the first six months of 2009 over the year ago period.

Salaries and employee benefits expense was \$538 thousand in the second quarter of 2009, a 16.7% increase from \$461 thousand in the second quarter of 2008 and \$1.1 million for the first six months of 2009, as compared to \$902 thousand for the same period in 2008. The increase was primarily due to the addition of commercial lending staff.

### **ASSET QUALITY**

The Bank had \$2.6 million in non-performing loans as of June 30, 2009, compared to no non-performing loans at June 30, 2008. A total of five loans related to one borrower were charged off during the second quarter of 2009 totaling \$689 thousand.

### **CAPITAL**

Stockholders' equity totaled \$10.6 million at June 30, 2009, compared to \$11.4 million at December 31, 2008. All of the Bank's capital ratios are in excess of the "well-capitalized" threshold.

### **THE BANK**

Enterprise National Bank N.J., headquartered in Kenilworth, New Jersey, is listed on the OTC Bulletin Board under the symbol "ENBN." The Bank focuses on serving the needs of small to medium sized businesses, commercial real estate borrowers, professional practices and consumers. Its services include business and personal checking, savings, money market and certificate of deposit accounts. Additionally, the Bank offers commercial and consumer loans, lines of credit, home equity loans, ATM cards, debit cards, E-Banking,

remote deposit capture, and free telephone and online banking.

*Forward-Looking Statements*

This news release may contain forward-looking statements. We caution that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Such statements are also subject to certain factors that may cause the Bank's results to vary from those expected. These factors include changing economic and financial market conditions, competition, ability to execute the Bank's business plan, items already mentioned in this press release, and other factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's judgment only as of this date. The Bank undertakes no obligation to publicly revise these forward-looking statements to reflect events and circumstances that arise after the date of this release.

**ENTERPRISE NATIONAL BANK N.J.**

**BALANCE SHEET (unaudited)**

	6/30/09	12/31/08
<b>Assets</b>		
Cash and due from banks	\$ 14,029,344	\$ 2,273,690
Investment securities	16,103,028	16,944,941
Loans	80,957,542	77,849,414
Allowance for loan losses	1,103,300	967,600
Net loans	79,854,242	76,881,814
Bank premises and equipment-net	531,947	604,817
Other assets	551,900	476,308
<b>Total assets</b>	<b>\$ 111,070,461</b>	<b>\$ 97,181,570</b>
<b>Liabilities and stockholders' equity</b>		
Non-interest bearing deposits	\$ 6,408,576	\$ 6,125,871
Savings and interest bearing demand	45,021,898	32,523,767
Time deposits	37,008,183	35,252,913
Total deposits	88,438,657	73,902,551
Borrowings	11,400,000	11,400,000
Other liabilities	616,019	494,258
Total liabilities	100,454,676	85,796,809
Total stockholders' equity	10,615,785	11,384,761
<b>Total liabilities and stockholders' equity</b>	<b>\$ 111,070,461</b>	<b>\$ 97,181,570</b>

**ENTERPRISE NATIONAL BANK N.J.**

**INCOME STATEMENT (unaudited)**

For quarters ended:	6/30/2009	3/31/09	12/31/08	9/30/08	6/30/08	3/31/08
Total interest income	1,488,342	\$ 1,507,411	\$ 1,544,825	\$ 1,577,683	\$ 1,435,382	\$ 1,391,627
Total interest expense	632,287	639,486	662,929	679,461	587,399	728,669
Net interest income	856,055	867,925	881,896	898,222	847,983	662,958
Provision for possible loan losses	615,246	210,000	15,000	227,600	109,627	35,000
Net interest income after provision	240,809	657,925	866,896	670,622	738,356	627,958
Service fees and charges	12,187	26,611	25,103	54,648	21,219	19,346
Gain on sale of loans	-	-	-	-	-	-
Other	1,871	32,153	258	514	713	-
Total non-interest income	14,058	58,764	25,361	55,162	21,932	19,346
Personnel expenses	538,368	533,271	402,028	467,998	460,881	440,826
Occupancy expense	43,743	47,510	45,714	46,984	45,028	44,674
Equipment	142,725	140,033	139,012	142,485	130,758	128,185
Advertising	397	1,098	661	6,424	5,254	323
Other expense	228,424	194,174	175,964	168,310	161,520	151,895
Total non-interest expense	953,657	916,086	763,379	832,201	803,441	765,903
Income(loss) before taxes	(698,790)	(199,397)	128,878	(106,417)	(43,153)	(118,599)
Income taxes	2,160	5,000	-	-	-	2,080
<b>Net income(loss)</b>	<b>\$ (700,950)</b>	<b>\$ (204,397)</b>	<b>\$ 128,878</b>	<b>\$ (106,417)</b>	<b>\$ (43,153)</b>	<b>\$ (120,679)</b>

For six months ended:	6/30/09	6/30/08
Total interest income	\$ 2,995,753	\$ 2,827,009
Total interest expense	1,271,773	1,316,068
Net interest income	1,723,980	1,510,941
Provision for possible loan losses	825,246	144,627
Net interest income after provision	898,734	1,366,314
Service fees and charges	38,798	40,565
Gain on sale of loans	-	-
Other	34,024	713
Total non-interest income	72,822	41,278
Personnel expenses	1,071,639	901,707
Occupancy expense	91,253	89,702
Equipment	282,758	258,943
Advertising	1,495	5,577
Other expense	422,598	313,415
Total non-interest expense	1,869,743	1,569,344
Income(loss) before taxes	(898,187)	(161,752)
Income taxes	7,160	2,080
<b>Net income(loss)</b>	<b>\$ (905,347)</b>	<b>\$ (163,832)</b>

**ENTERPRISE NATIONAL BANK N.J.**

**SELECTED FINANCIAL DATA (unaudited)**

For quarters ended:	6/30/09	3/31/09	12/31/08	9/30/08	6/30/08	3/31/08
<b>Share Data</b>						
Book value per share (basic, period end)	\$ 5.78	\$ 6.14	\$ 6.20	\$ 6.06	\$ 6.05	\$ 6.25
Net income(loss) per share (basic)	\$ (0.38)	\$ (0.11)	\$ 0.07	(\$0.06)	(\$0.02)	(\$0.07)
Net income(loss) per share (diluted)	\$ (0.38)	\$ (0.11)	\$ 0.07	(\$0.06)	(\$0.02)	(\$0.07)
<b>Selected Averages</b>						
Average net loans	\$ 78,467,386	\$ 77,825,284	\$ 77,699,261	\$ 77,613,752	\$ 66,861,433	\$ 58,694,405
Average total deposits	\$ 85,127,412	\$ 76,816,293	\$ 73,845,031	\$ 74,220,295	\$ 65,892,405	\$ 68,698,118
Average earning assets	\$ 94,665,428	\$ 94,416,362	\$ 95,052,809	\$ 97,135,025	\$ 85,713,158	\$ 86,734,934
<b>Selected Performance Ratios</b>						
Return on average assets	-0.65%	-0.20%	0.13%	-0.11%	-0.05%	-0.14%
Return on average equity	-6.23%	-1.78%	1.14%	-0.95%	-0.38%	-1.07%
Net interest margin	3.62%	3.68%	3.71%	3.70%	3.96%	3.06%
Non-interest income as % of average assets	0.05%	0.23%	0.10%	0.22%	0.10%	0.09%
Non-interest expense as % of average assets	3.53%	3.66%	3.14%	3.38%	3.70%	3.49%
<b>Asset Quality</b>						
Net charge-offs	\$ 689,631	\$ -	\$ -	\$ -	\$ -	\$ -
Non-performing loans	\$ 2,626,000	\$ 2,510,000	\$ 2,170,000	\$ 357,000	\$ -	\$ -
Allowance for possible loan losses to total loans	1.36%	1.51%	1.24%	1.19%	0.99%	0.96%
Non-performing loans to total loans	3.24%	3.22%	2.79%	0.45%	0.00%	0.00%
<b>Capital</b>						
Tier 1 leverage ratio	9.66%	11.09%	11.55%	11.24%	12.91%	12.60%
Tier 1 capital to risk-weighted assets	12.18%	13.45%	13.77%	13.28%	14.41%	16.16%
Total capital to risk-weighted assets	13.41%	14.71%	14.96%	14.43%	15.35%	17.06%